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MAY 13, 2021

MAYOR LORI LIGHTFOOT  
CITY OF CHICAGO  
121 N. LASALLE, SUITE 500  
CHICAGO, ILLINOIS 60602

**RE: SIGNIFICANT ACTIVITY REPORT**

On May 13, 2021, Patrick Daley Thompson, Alderman of the 11th Ward, entered a plea of not guilty to all counts at the arraignment conducted by the Honorable Franklin U. Valderrama. Thompson was indicted on federal charges, including five counts of willfully filing a false income tax return (26 U.S.C. 7206(1)) and two counts of knowingly making a false statement to the Federal Deposit Insurance Corporation (FDIC) (18 U.S.C. 1014).

The indictment alleges that from 2011 to 2014, Thompson received \$219,000 from Chicago-based Washington Federal Bank for Savings via a purported loan and other unsecured payments, and that Thompson made one re-payment on the loan but then stopped making payments and failed to pay interest on the funds he received. Washington Federal was shut down in 2017 after the Office of the Comptroller of the Currency determined it was insolvent and had at least \$66 million in nonperforming loans. When the FDIC, as successor in interest to Washington Federal, attempted to obtain repayment from Thompson in 2018, he falsely stated that he owed only \$110,000 and that those funds were for home improvement, when Thompson knew he had actually received \$219,000 and that \$110,000 of it was paid by the bank to a law firm as Thompson's capital contribution.

The indictment further alleges that Thompson falsely represented on five years of income taxes that he paid interest on money he received from Washington Federal, even though he knew he did not pay interest in the amounts reported on the returns.

This indictment was announced by the United States Attorney for the Northern District of Illinois, working in conjunction with the FDIC's Office of Inspector General; the Internal Revenue Service Criminal Investigation Division in Chicago; the Chicago Field Office of the Federal Bureau of Investigation; the Federal Housing Finance Agency, Office of Inspector General; the Department of the Treasury, Office of Inspector General; the City of Chicago Office of Inspector General; and the Chicago Housing Authority Inspector General.

The public should note that charges in an indictment are not evidence of guilt. The defendant is presumed innocent and entitled to a fair trial at which the government has the burden of proving

guilt beyond a reasonable doubt. Each false statement count is punishable by a maximum sentence of 30 years in federal prison, while each tax count is punishable by up to three years. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory U.S. Sentencing Guidelines.

Please do not hesitate to direct any questions or requests for additional information to me or Natalie A. Kuriata, Director of Communications, at (773) 478-8417.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Ferguson'.

Joseph M. Ferguson  
Inspector General  
City of Chicago